# ACI QUALITY TIMES

# '09 Customer Satisfaction Achieves Fiscal Year End "Hat Trick"
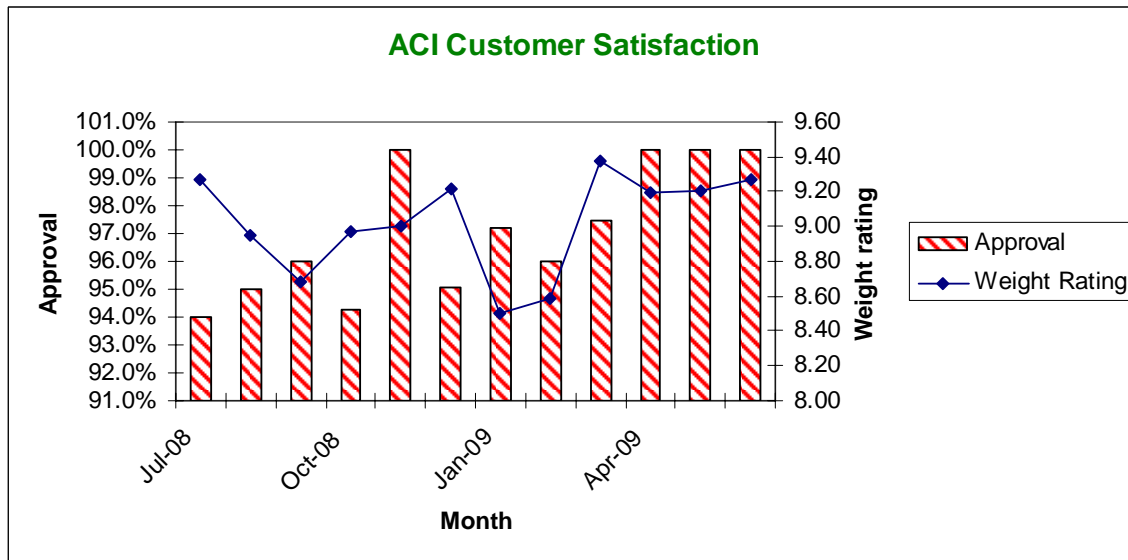


For the third consecutive month, respondents to ACI's Customer Satisfaction Survey answered "yes", they're satisfied with their June order experience.  Adding frosting to the cake, the Average Weighted Score, measuring the degree of how well ACI performed on 1 – 10 scale, nudged up to 9.27 from 9.21 in May.  Customers singled out **Jeff Marler (Metal Fab)** and **Nick Angel (Sales)** as especially helpful employees.

# Year End Stats Offer New FY Goal Setting Platform

The Phoenix Quality Unit facilitated 2010 ACI goal setting by providing Regional Managers with YTD summaries of shop performance data during 2009.   Two pages of data for each shop included rework and sampling information reported during the fiscal year.  Responses on sampling, representing shipping point inspections prior to shipment, were complete.

Rework was missing in a few cases because it was not reported.  The most frequent reason given for lacking rework data is that "We just fix problems as they occur.  It takes

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## *Year End Stats, Continued*

too much time to document." This works up to the point where the Vantage System begins matching resources used against labor and materials estimated on each order. Vantage already tracks Returned Material Authorizations (RMAs) historically called CCRs (Customer Complaint Reports) to flag patterns by causes and types.



**FY08-09 Rework Expense**
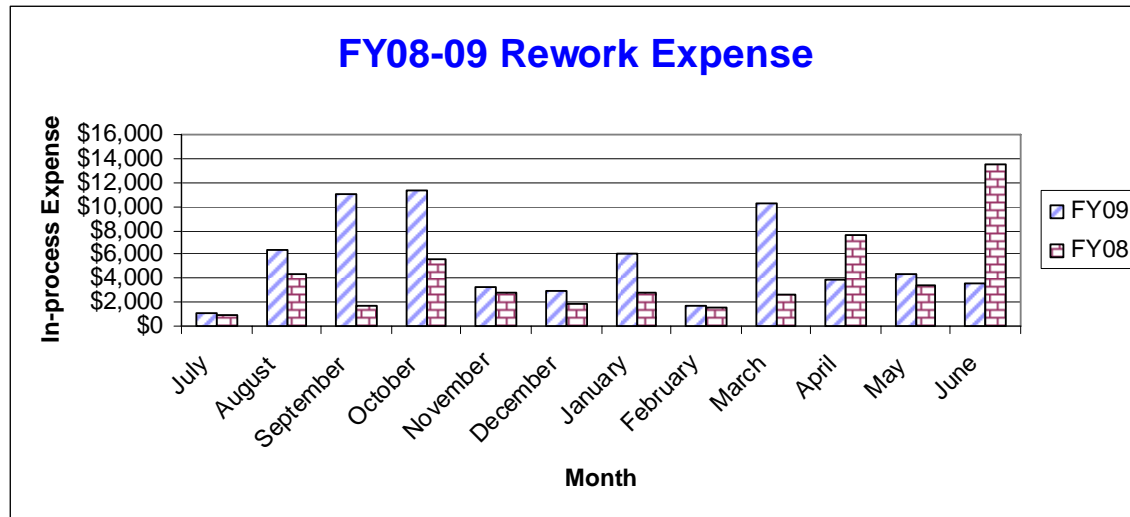
### Annual Rework Comparisons

| | FY09 | FY08 |
|---|---|---|
| **July** | $1,116 | $991 |
| **August** | $6,350 | $4,393 |
| **September** | $11,088 | $1,660 |
| **October** | $11,278 | $5,668 |
| **November** | $3,283 | $2,839 |
| **December** | $2,959.37 | $1,853 |
| **January** | $6,044 | $2,764 |
| **February** | $1,675 | $1,514 |
| **March** | $10,294 | $2,622 |
| **April** | $3,900 | $7,536 |
| **May** | $4,312 | $3,441 |
| **June** | $3,583 | $13,576 |
| **Totals** | $65,882 | $48,857 |

Rework is useful when it prevents a customer from finding fault with an ACI order.

When costs exceed budgeted amounts, explanations are in order. Assigning error codes and values to rework now offers a buffer against possible future production cost increases.

Knowing the origins of rework can help shops either reduce or build in allowances for it. While the chart on this page suggests June rework dropped below 2008 levels, overall rework increased to $65,880 for 2009 compared to $48,857 the previous year. Importantly, ACI sales also reached record levels last year.

FY 2009 CCR correction cost ACI $11,499, or about 17 per cent of rework expense. The $65 thousand plus spent in 2009 covered fixing problems before they shipped. CCR cost reflects only corrective action; not changes in customer attitudes toward ACI because of the complaint(s). ACI's Vantage operating system now tracks CCRs as Returned Material Authorizations, or RMAs. The system will gradually reduce the necessity for sending hard copy quality reports to Phoenix.

# JUNE REWORK REPORT

**(See Universal Error Codes on page 4)**

| WORK UNIT NAME | LABOR | MATERIAL | TOTAL | REWORK CODES |
|---|---|---|---|---|
| BAKERY | $178.62 | $539.78 | $718.40 | b, c, e, f |
| BEDDING | | | $0.00 | |
| DATA FULFILLMENT | | | $0.00 | |
| DOUGLAS SEWING | | | $455.12 | i |
| EYMAN | $8.50 | $55.01 | $63.51 | c, f |
| FARM | | | $26.75 | f |
| FLORENCE UPH | | | $0.00 | |
| LEWIS FURN | | | $0.00 | |
| METAL FAB | $45.00 | $16.60 | $61.60 | c |
| PERRYVILLE SEWING | $21.38 | | $21.38 | f |
| PRINT SHOP | $2.75 | $80.00 | $82.75 | c |
| SIGN SHOP | | | $0.00 | |
| TAG PLANT | | | $2,153.63 | |
| WOOD METAL | | | $0.00 | |
| **TOTALS** | **$256.25** | **$691.39** | **$3,583.14** | **1b,214c,1e,59f,42i** |

# JUNE SAMPLING RESULTS

| WORK UNIT NAME | INSPECTED | PASSED | TOTAL % | ERROR TYPES |
|---|---|---|---|---|
| BAKERY | 24,069 | 24,069 | 100.00% | |
| BEDDING | 8,559 | 8,559 | 100.00% | |
| CONSUMER PRODUCTS | | | | |
| COST ACCOUNTING | 54 | 54 | 100.00% | |
| CUSTOMER SERVICE | 369 | 363 | 98.37% | c, d |
| DATA FULFILLMENT | 1,350 | 1,350 | 100.00% | |
| DOUGLAS SEWING | 835 | 835 | 100.00% | |
| EYMAN | 14,158 | 14,081 | 99.46% | c, f |
| FARM | 9,905 | 9,798 | 98.92% | f |
| FLORENCE UPH | 4,372 | 4,372 | 100.00% | |
| LEWIS FURN | 0 | 0 | no inmates | |
| METAL FAB | 7,199 | 7,199 | 100.00% | |
| PERRYVILLE SEWING | 5,633 | 5,633 | 100.00% | |
| PRINT SHOP | 1,675,232 | 1,675,232 | 100.00% | |
| PURCHASING | 371 | 344 | 92.72% | c |
| RETAIL OUTLET | 28 | 28 | 100.00% | |
| SIGN SHOP | 1017 | 1017 | 100.00% | |
| TAG PLANT | 69,956 | 69,956 | 100.00% | |
| WAREHOUSE | 695,079 | 695,078 | 100.00% | h |
| WOOD METAL | 1,599 | 1,599 | 100.00% | |
| **TOTALS** | **2,519,785** | **2,519,567** | **99.99%** | **12c,1e,20f,1h1** |

**Universal Error Codes on next page**

# Hitch a Ride with June's Employee of the Month

**Install Supervisor Tim Clifford** is June's Employee of the Month. **General Manager Bill Branson** recapped Tim's efforts in this award statement: "We haven't seen much of Tim around for the past couple of months because he has been living up in Kingman at the Private Prison where he has been overseeing the installation of the new 2,000 bed facility.

Because the install crew was so productive they were asked to help with doors, prep floors, and other general construction jobs. Anyone working in Kingman during this time of the year deserves an award, but Tim clearly sacrificed and his hard work really has paid off for ACI. Thanks Tim and congratulations".



*June Employee of the Month Tim Clifford co-pilots a four wheeler in San Felipe, Mexico with grandson, Aiden. Mrs. Tim is none other than Rose Clifford of Perryville Print Shop. She says Tim's on the job experience makes him a very good guy on those home improvement projects*

## 3 YEAR BALDRIDGE SURVEY COMPARISONS

|  | 2006 | 2007 | 2009 |
|---|---|---|---|
| Leadership | 59.08% | 64.40% | 61.11% |
| Strategic Planning | 47.50% | 51.52% | 40.89% |
| Customers & Service | 67.37% | 62.42% | 66.22% |
| Measurements | 71.25% | 64.39% | 60.00% |
| Human Resources | 70.42% | 65.15% | 57.41% |
| Process | 61.49% | 62.12% | 61.67% |
| Results | 61.32% | 61.78% | 60.74% |

**Universal ACI Error Codes**
a. Late paperwork
c. Operator error
b. Inaccurate order specifications
d. Incomplete information
e. Training need
f. Equipment failure
g. Warehouse process
h. Poor internal communication
i. Material flawed
j. Material arrived late
k. Other_____